

Shell Oil Company



One Shell Plaza  
PO Box 2463  
Houston TX 77252-2463  
(713) 241-2417

FAX: (713) 241-5841

Planning, Finance & Investment Services  
Management Consulting Services

October 1, 1998

Magalie Roman Salas  
Commission Secretary  
Federal Communications Commission  
1919 M Street, N.W.  
Room 222  
Washington, D.C. 20554

Re: Comments for CC Docket No. 98-141

Dear Ms. Salas:

Pursuant to Section 1.419(b) of the Commission's Rules, Shell Oil Company is submitting the following comments to convey its support of the merger and related transfer application of SBC Communications Inc. ("SBC") and Ameritech Corporation ("Ameritech").

Shell Oil Company ("Shell"), a wholly-owned subsidiary of Royal Dutch/ Shell Transport and Trading Group, p.l.c. ("Royal Dutch/Shell Group"), is one of America's leading oil and natural gas producers, manufacturers, transporters, and marketers of oil and chemical products. Shell is headquartered in Houston, Texas, but has offices and facilities across the United States, including California, New Orleans, Florida, Atlanta and Chicago. In addition, approximately one-half of the 9,300 Shell service stations scattered across the U.S. are corporately owned by Shell. In 1997, Shell had over 19,000 employees in the U.S. and around the world, and posted net income of \$2,104 million. In addition to its U.S. presence, Shell is expanding its global presence through strategic global alliances with other members of the Royal Dutch/Shell Group.

Shell has relied on SBC to provide domestic telecommunications products and services since 1965. SBC has been, and continues to be, Shell's primary local exchange carrier for its offices and plants in Texas, and since SBC's merger with Pacific Telesis, in California as well. Over the years SBC has also worked closely with Shell in the development of new and better products and services. A recent example is SBC's technical trial of new ADSL technology in Houston, Texas. Shell has participated in the

No. of Copies rec'd  
List A B C D E

048

trial of this new technology for the last 18 months, and if the trial is successful, Shell will be able to take advantage of the efficiencies offered by this new technology and obtain a competitive edge in the increasingly competitive oil and energy market.

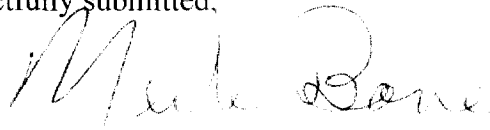
Despite the partnership approach Shell and SBC have adopted, there are important telecommunications needs of the company, which SBC today is unable to satisfy. For example, Shell did not even consider SBC in its most recent solicitation of bids to provide Shell's long distance voice and data service because of SBC's inability to provide service in certain areas of the United States.

Shell clearly would benefit from having the opportunity to consider SBC as a potential carrier in all such competitions. The merger with Ameritech combined with the National-Local Strategy, which SBC has announced, will make SBC the kind of national and global carrier that Shell looks to when purchasing telecommunications services. Following the merger and implementation of the National-Local Strategy, the post-merger SBC/Ameritech will be able to meet over 70-80% of Shell's telecommunications expenditures, as compared to only 66% which SBC alone can meet today. A carrier's ability to provide all or a substantial bundle of services to the company is highly valued by Shell. There are several concrete advantages in having a single vendor for telecommunications. One important advantage is the effect on price. Shell frequently can take advantage of volume discounts or price concessions by purchasing all or a large combination of services from one carrier. Having a single or small number of carriers also provides the advantage of interoperability. As Shell's business has become globalized and its personnel travel all over the world, it has become increasingly important for Shell to have a carrier or carriers that can provide service anywhere, any time, in a way that is transparent to the end user.

Because of the increasingly national and global scope of Shell's business, Shell's vendors need to be national and even global providers in order to effectively compete for Shell's telecommunications business. This merger will permit SBC to be such a competitor, and Shell will benefit from the lower prices and better products and services that come from increased competition in the telecommunications market.

For these reasons, Shell supports approval of the merger of SBC and Ameritech by the Commission.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Merle Bone", is written over the typed name.

Merle C. Bone  
Chief Information Officer and Managing Partner